

## **REMARKS**

Applicant requests favorable reconsideration and allowance of this application in view of the foregoing amendments and the following remarks

Claims 1 through 39 are pending, with Claims 1, 8, 16 through 18, 20, 22, 32, and 34 being independent. Claims 22-37 stand withdrawn from consideration as being directed to a non-elected invention. Applicant hereby affirms the election of Group I.

The Abstract has been amended in response to the Examiner's objection. Favorable consideration is requested.

Claims 1, 3, 4, 8, 11, 16 -18, and 20 have been amended, and new Claims 38 and 39 have been added. Applicant submits that support for these amendments can be found in the original disclosure, and therefore no new matter has been added.

The Office Action states that the Information Disclosure Statements (IDS's) filed on June 18, 2004 and August 17, 2004 have not been considered because they allegedly fail to comply with 37 CFR 1.98(a)(1), apparently because there was no separate listing of references. Applicant notes that those IDS's were not filed to submit any new references for consideration, but rather to provide the Examiner with additional information to assist in his consideration of references previously submitted in the IDS filed June 15, 2004. In particular, Applicant submitted a partial translation of a reference and of an Office Action issued in a foreign counterpart application. Since no new references were submitted, Applicant believed no listing was appropriate and merely submitted this information to aid the Examiner.

Further, the Office Action indicated that a U.S. patent listed in the IDS filed on February 28, 2005 was not considered because the inventor does not match the inventor

listed on the PTO-1449. Applicant submits that the correct patent number was provided and, as indicated in the IDS, the U.S. patent is a counterpart to the cited Chinese reference and was provided for the Examiner's convenience. Since the Examiner has indicated that he considered the Chinese reference, Applicant believes no further action is needed.

Claims 1-15, 18 and 20 are rejected under 35 U.S.C. §101 because they are directed to non-statutory subject matter. Regarding Claims 1-15, Applicant respectfully disagrees with the Examiner's assertion that these claims are directed to software *per se* merely because the specification discloses software. Each of those claims is clearly directed to an apparatus, not to software *per se*. Moreover, those claims include limitations in means-plus-function format, which *by statute* are required to be construed to cover the disclosed structure for performing the recited functions and equivalents. The specification discloses, *inter alia*, a CPU for executing software. Accordingly, Applicant submits that these claims are clearly directed to statutory subject matter and not to software *per se*.

Regarding Claims 18 and 20, those claims have been amended to recite a computer program stored on a computer-readable storage medium. Applicant submits that those claims comply with the PTO guidelines regarding computer-related inventions and are directed to statutory subject matter.

Favorable reconsideration and withdrawal of the Section 101 rejection are requested.

Claim 11 is rejected under 35 U.S.C. 112, first paragraph, because the specification allegedly does not reasonably provide enablement for decrypting the second authentication information and comparing the decrypted second authentication information

with the first authentication information. Applicant has amended this claim in view of the Examiner's comments and requests withdrawal of this rejection.

Claims 3-4 and 11 are rejected under U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Applicant has amended these claims in view of the Examiner's comments and requests withdrawal of this rejection.

Claims 1-4, 7-12 and 15-21 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,278,791 (Honsinger et al.). Applicant respectfully traverses this rejection for the reasons discussed below.

As recited in independent Claim 1, the present invention includes, *inter alia*, the features wherein authentication information is embedded in digital information by adding a value to or subtracting a value from each of plural elements which form the digital information, and if after the addition or subtraction an element has a value that exceeds a variable range permitted for the element, the element is excluded from the embedding process. Applicant submits that the cited art fails to disclose or suggest at least these features.

Honsinger discloses a technique for embedding information into an original image and extracting the embedded information from the image to restore the original image. That patent discloses using Modulo-N arithmetic for digital watermarking and extraction of embedded information. However, Honsinger does not disclose or suggest at least the feature wherein, if after addition or subtraction an element has a value exceeding a variable range permitted for the element, the element is excluded from the embedding. The

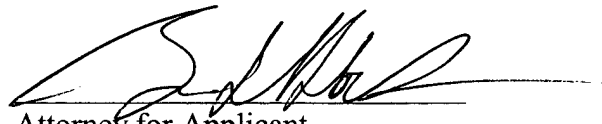
other cited art also fails to disclose or suggest at least this feature. Accordingly, Applicant submits that the present invention is patentable over the cited art.

The other independent claims recite a feature similar to the one discussed above which is missing from the cited art, and those claims are patentable for similar reasons to Claim 1. The dependent claims are patentable for at least the same reasons as the independent claims, as well as for the additional features they recite.

For the foregoing reasons, Applicant submits that this application is in condition for allowance, and a Notice of Allowance is respectfully requested.

Applicant's undersigned attorney may be reached in our Washington, D.C. office by telephone at (202) 530-1010. All correspondence should continue to be directed to our below-listed address.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. L. Klock', is written over a horizontal line.

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